Resilience starts with leadership

In a world overwhelmed with profound, systemic adversities and deep uncertainty, enterprises struggle to meet their current obligations while simultaneously racing to transform for the future. And all this is taking a toll: leader burnout is at an all-time high and countless others are caught up in a spiraling epidemic of anxiety and depression. Yet, in the midst of all this, we also see a renewed interest in taking care of ourselves and others with greater resilience and adaptability. Indeed, more and more we are recognizing the need for resilience at all levels in our organizations and societal institutions: in our supply chains, in our processes, our systems and structures... and most of all, in our leaders. Resilience starts with leadership.

Why it matters

While it's tempting to focus on grand enterprise-wide solutions, the foundation of all organizational resilience is found in its leaders and their support for the resilience of all their teams and individuals.

- **Resilience is social by nature**: Resilience isn't solitary. Resilient leaders inherently cultivate resilient teams: People who work for resilient leaders are 3x more resilient, 30% more productive, and substantially more innovative.¹
- Resilience is the foundation for structural transformation: Major organizational changes demand cognitive flexibility and possibility-thinking. And when people are overly stressed with change and uncertainty, their thinking becomes rigid and unimaginative. Structures and strategies are only as robust as the individuals and teams driving them. Without individual and team resilience, organizational transformation is unsustainable and limited in its impact.
- Resilient leadership behaviors foster agency and high performance. Resilient leaders are more prone to empowering autonomy and fostering collaborative decision-making — hallmarks of modern leadership — creating conditions for intrinsic motivation with gains in discretionary effort, team cohesion, and productivity.
- Resilience enables superior returns and operational excellence: Resilient companies don't just survive; they thrive. They show superior shareholder returns. Effortlessly adopting new technologies, they lead the innovation race. Their performance in customer service, along with attracting and retaining talent, underscores their organizational strength.²
- Resilience safeguards organizational longevity: The COVID-19 era revealed a startling truth: Resilience determines survival. Companies with resilient behaviors had a competitive edge. Statistical spotlight: Post-pandemic data revealed that



businesses with a health-oriented, resilient outlook were less likely to go bankrupt within two years than their "unhealthy" counterparts.²

When team and individual resilience thrive, so does the organization. Investing in leadership resilience isn't just good practice — it's essential for long-term success.

The Bottom Line

In a world full of unexpected challenges, our resilience is one of the few things we can control. When we pause and respond calmly to adversity, instead of blindly reacting, we find our footing in controlling the controllable. Employees with resilience, adaptability, and a positive outlook turn tough times into growth opportunities for themselves and their organizations. Employees who possess robust inner strength and adaptability are not just survivors; they *grow through* what they *go through*. Businesses benefit when their teams not only bounce back from challenges but also use those challenges as stepping stones to ever-increasing capability. In short, leadership resilience amplifies business success. It's not about what happens to us, but how we respond.

What research tells us

- Extrinsic "carrot and stick" motivation works albeit in a limited way until those carrots and sticks are removed. Smart managers are keen to support intrinsic drivers of motivation. Research on intrinsic motivation (found in Dan Pink's <u>Drive</u> and Deci and Ryan's <u>self-determination theory</u>) finds that people are naturally motivated to perform when the work environment and the work itself is designed to emphasize autonomy, mastery, purpose, and healthy working relationships. During challenging times especially, resilient leaders ensure employees experience these intrinsic motivators. Employees, perceiving this alignment and finding flow in their work, feel purpose-driven, valued, and trusted.
- As Paul Zak explains in <u>The Neuroscience of Trust</u>, when resilient leaders foster trust with their reports while helping them embrace their alignment to team purpose, their employees experience profound engagement and workplace joy.³
- Microsoft's 2022 Work Trend Index uncovers a troubling statistic: 53% of managers report feeling burned out. This burnout surge among managers is due to the cascading challenges of the pandemic and subsequent shifts in work dynamics. Listening to these managers and identifying burnout components becomes essential in addressing and mitigating its impact.⁴



What it looks like

Human resilience is the state of growth and flourishing that occurs when we embrace change and uncertainty as the inevitable friction to overcome when pursuing things that matter.

- You've noticed it already. Think of those people in your organization who adapt well to change and flourish through adversity. Can you identify them? Now, think of leaders who did a particularly poor job of leading during change, adversity, and uncertainty. What did they do? How did they behave? What did they say? What was the impact on the organization?
- **Resilient leadership plays offense,** leaning into the organizational challenges before the crisis, building adaptable and resilient teams and the organizational culture in which they exist. This in turn creates a healthy and positive environment for the organization to become ever more creative and collaborative.
- It goes hand-in-hand with psychological safety. We see it when people are not afraid to speak truth to power. Without the feelings of safety and connection, people succumb to their nervous system's natural turn toward fight, flight, freeze, or appease.⁶
- Resilience isn't about avoiding stress but leveraging it. The strongest leaders thrive, not in spite of adversity but because of it. Our deepest wisdom, warmth, intelligence, and resilience are honed in the relentless 24/7/365 cycle of challenges and lessons. When we embrace adversity, we shift our stress mindset, transforming it into a positive force for continuous growth, connection, and learning.

Zooming in

Resilience isn't a singular concept; it's multifaceted.

- Behavioral Resilience: This is where resilience is most visible in the actions we
 take. It's the tenacity that pushes one to persevere, even in the face of daunting
 challenges.
- **Emotional Resilience:** The capacity to manage and harness emotions (emotional regulation) ensures that an individual remains steady and unwavering, regardless of the emotional storms they might encounter.
- **Cognitive Resilience:** Beyond mere positive thinking, this dimension focuses on maintaining a curious, solution-oriented mindset. It's about seeing challenges as puzzles to solve rather than insurmountable barriers.



 Social Resilience: At its core, this dimension acknowledges the importance of interpersonal relationships. It underscores the value of forging strong connections and leveraging them in times of need.

When organizations recognize and nurture these layers of resilience, they're not just bolstering their workforce; they're solidifying their foundation for enduring success.

Where to start

So, where should organizations commence their resilience-building journey? McKinsey's extensive research suggests a four-pronged approach⁴:

- Agile organizations: Foster data-driven decision-making processes that emphasize quick learning and adaptability.
- **Empower teams:** Cultivate teams that feel ownership of outcomes, enabling them to pivot or innovate based on feedback.
- Ensure leaders are able and willing to coach their teams through change and uncertainty, supporting employee adaptability and setting the groundwork for enduring resilience.
- **Invest in talent and culture:** By growing healthy, resilient talent management practices and culture, organizations not only attract top talent but also set the stage for a perpetual cycle of resilience.

Looking forward

In today's dynamic landscape, we face constant pressure to be our best and confront enormous challenges at all levels. The linchpin in our capacity to navigate these trials successfully is resilience, and that resilience starts with resilient leaders. Year after year, Prosci's change management benchmarking study has demonstrated that the number one contributing factor to successful organizational transformation is the active involvement of senior leaders.⁵

As we move forward, change and uncertainty will only gain momentum. The world's complexity is ever-increasing, perpetually surpassing our grasp and understanding. It's a stark reality: these complexities and uncertainties will continue to grow and threaten our very survival.

Embracing resilience is not just a choice. It is an imperative for enduring and thriving through our evolving chaos. Resilient leadership is the X factor that enables all of us to do our collective best in rising to the mammoth challenges we currently face and all that lies ahead.



About the Author: Bill Hefferman

Bill Hefferman, a consultant and speaker focusing on leading for resilience, has dedicated over 23 years to refining strategies that help leaders and teams thrive in adversity. Bill's purpose: to inspire and enable leaders, teams, and individuals to thrive and grow through change, adversity, and uncertainty in pursuit of the greater common good. His expertise, spanning sectors from aerospace to energy, is rich with insights from Organization Development to Resilience and Thriving. An award-winning instructor, Bill translates academic research into actionable learning experiences. Trusted by industry giants like Intel and Nike, Bill's three-decade consulting journey is a testament to his unparalleled insights and solutions.

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